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Annual Report, 1979

Division of Insurance

This report was produced pursuant to
Chapter 175, Section 17 of The Massachusetts General Laws

Edward J. King
Governor of Massachusetts

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Commissioner of Insurance

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INTRODUCTION

The Division of Insurance is responsible for the administration and regulation of the business of insurance in Massachusetts, and as such, serves all residents of the Commonwealth. The Division is organized into the following sections that report directly to the Commissioner.

The Administration Section is headed by the First Deputy Commissioner. Administrative functions such as payroll, personnel, revenue receipt, budget, accounting and EDP programming are included within the Administration Section. A monthly report of current personnel obligations, adjusted to reflect expected pay level increases and salary reserves is produced. In addition to the regular monthly reports, special reports are rendered from time to time detailing individual subsidiary accounts. Accounts are carefully monitored for fiscal accountability. Occasionally transfers from one account to another is necessary to meet due dates. The Administration Section is also responsible for equipment inventory, supply, purchasing, repair and maintenance of Division equipment and other miscellaneous duties.

The Research & Education Section is charged with the analysis and research of regulatory problems insulated from the pressures of day-to-day operational responsibilities. The section is also involved with the Division's work in consumer education through the preparations of informational publications. Another area of interest for the research section is the surveillance of the health insurance market.

The Licensing & Examination Section is headed by the Second Deputy Commissioner. The section is responsible for administering all examinations required of applicants for licensure. To improve and facilitate the administration of examinations, the Division entered into an agreement with Educational Testing Service of Princeton, New Jersey. This contract authorized ETS to prepare agent examinations under the supervision of the Commissioner, to administer them and report results.

The duties of the section include the examination of license applications, issuance and renewal of licenses to qualified applicants and maintenance of the records of licensees.

The State Rating Bureau is headed by a Director appointed by the Commissioner. Late in 1975 the Legislature established a State Rating Bureau in the Division of Insurance and provided the Commissioner with the expertise needed to properly analyze, evaluate and recommend rates for various insurance coverages.

The Rating Section is responsible for rate regulation of automobile, homeowners, Blue Cross/Blue Shield, workers' compensation and other insurance contracts. They also assist in promulgating rating and statistical plans.

The Policy Forms Section examines for compliance with life insurance non-forfeiture laws and evaluations of life insurance reserves. Review and approval or disapproval of various insurance policy forms is also the responsibility of the Policy Forms Section.

The Legal Section is primarily responsible for the drafting of Division regulations. The Legal Section initiates numerous enforcement actions leading to suspension or revocation of licenses and the imposition of monetary penalties. In addition to the drafting of documents and enforcement activity, a substantial portion of the Legal Section's time is devoted to servicing the legal needs of other sections within the Division. Services typically include assisting the Consumer Complaints Staff and advising the Financial Surveillance, Field Audit, Policy Approval and Agents and Brokers staffs. Inquiries from insurance companies and agents, the public and other government agencies are answered.

The Special Investigation Section as the name implies conducts special investigations as ordered by the Commissioner. The Section investigates violations of insurance laws reported by the public. Collected evidence is referred to the Legal Section for administrative enforcement actions and to criminal authorities for prosecution. Questionable practices uncovered during examinations by the Field Audit Section, during the handling of consumer complaints by the Consumer Service Section, and during review of license applications by the Agents and Brokers Section are included among the specialties of this section.

The Consumer Service Section is responsible for the resolution of cases brought to the attention of the Division of Insurance by the general public. The Consumer Service Section acts as a conduit between the consumer and his or her insurer when information concerning a policy or a claim is not forthcoming or a claimant is not sufficiently informed of the reasons for the insurer's position. The following is a statistical summary of the Consumer Service caseload.

STATISTICAL DATA — SPRINGFIELD AND BOSTON COMBINED

Total Cases Handled	Miscellaneous and Information Requests
15,320	1938
	Closed Cases
	13,382

HIGHLIGHTS

The following items highlight the major accomplishments of the Division in 1979.

I. Designation of Statistical Agent for Automobile Insurance

The Commissioner designated the Massachusetts Motor Vehicle Reinsurance Facility as his statistical agent with respect to motor vehicle policies.

II. Guidelines for Filing Life Insurance and Annuity Forms

The Commissioner distinguished "easy-to-read language" from disclosure of relative costs in the filing of life insurance and annuity forms. Guidelines for the filing of such forms were established.

III. Easy-to-read Homeowner's Insurance Policy

The Commissioner announced the completion of a new Massachusetts "plain English" Homeowner's insurance policy. The new policy meets the requirements of the Massachusetts "easy-to-read" law and follows the simplified automobile policy as the second model policy redrafted by the Division of Insurance.

The model policy does not change the level of coverage in the present policy but merely makes it understandable.

The new policy contains 8,949 words, some 17% fewer words than the present 10,768 worded policy, and scores 55.11 points on the "Flesch Test."

IV. Competition Among Motor Vehicle Insurers

A public hearing was held on May 17, 1979 relative to Section 5 of Chapter 175E of the Massachusetts General Law, to determine whether automobile insurance rates were to be filed on a competitive basis or be fixed and established by the Commissioner of Insurance. An Opinion, Finding and Decision dated June 22, 1979 was made suspending competition under Chapter 175E for one additional year.

The Commissioner appointed a Special Task Force to study the feasibility of competitive rating for automobile insurance.

The task force was charged to study the feasibility of competitive rating and determine whether a competitive system can be properly implemented in the Commonwealth

V. Marketing and Sale of Cancer Insurance and Medicare Supplement Policies

New regulations involving the marketing and sale of so-called cancer insurance and Medicare supplement policies were promulgated.

The new regulations resulted from special hearings charging alleged abuses involving "cancer" and "medigap" policies.

The new regulations permit qualified health insurers to issue "Specified Disease Coverage" in place of cancer policies, and replace the present Medicare Supplement Policies with three different Medicare Supplement Policies, each with a specific level of benefits.

The standards incorporated in the new regulations have effectively corrected many of the misconceptions the consumer public has been led to expect from improperly or wrongfully labelled insurance policies.

VI. Merit Rating Credits

The Commissioner promulgated formulae, calculations, amount and method of distribution to be used by insurers to distribute Merit Rating credits in 1980. The credit amounted to \$12.00 for each qualified insurance motorist.

VII. 1980 Auto Insurance Rates

The Commissioner announced automobiles rates for 1980.

He also announced the implementation of a discount for public transportation users.

INSURANCE LEGISLATION

In 1979 the General Court passed and the Governor approved, the following insurance and insurance related amendments to the General Laws.

- Chap. 149,** requiring certain insurers to pay certain insurance premiums to independent licensed insurance agents.
- Chap. 171,** further regulating health maintenance organizations relative to abortions.
- Chap. 182,** relative to the appeals procedure for surcharges in merit rating plans for motor vehicle insurance.
- Chap. 192,** relative to billing and collection of surcharges under motor vehicle insurance merit rating plans.
- Chap. 195,** requiring insurance companies doing business in the Commonwealth to report to the fire marshal adjusted fire losses over one thousand dollars.
- Chap. 197,** prohibiting the classification of risks on the basis of age, sex or marital status for motor vehicle insurance rates except for certain reduction purposes.
- Chap. 222,** relative to requiring insurance policies to be written in a form that can be easily understood.
- Chap. 250,** authorizing the Chelsea Police Relief Association to pay certain sums of money to certain members upon their retirement.
- Chap. 303,** further regulating mortgage investments of domestic insurance companies.
- Chap. 304,** relating to the authorization of certain domestic insurance companies to insure individuals and members of his or her family for costs of legal services.
- Chap. 330,** providing for the payment of certain death benefits to members of the Wakefield Police Relief Association, Inc. upon their retirement from the Police Department of the town of Wakefield.
- Chap. 332,** further regulating a board of directors approval of certain salaries in domestic insurance companies.
- Chap. 354,** requiring insurance policies to be written in a form that can be easily understood.
- Chap. 365,** further regulating medical service corporations.
- Chap. 372,** relative to the General Insurance Guaranty Fund.
- Chap. 375,** increasing interest rates charged by insurers on certain life insurance policy loans to policy holders.
- Chap. 399,** authorizing the use of later mortality tables by fraternal benefit societies.
- Chap. 401,** providing for short rate cancellation of policies.

- Chap. 405,** increasing the membership of the board of directors of the Massachusetts Urban Area Insurance Placement Facility.
- Chap. 471,** further regulating the cancellation of certain fire insurance policies and contracts.
- Chap. 473,** further regulating the distribution of risks among companies issuing motor vehicle insurance.
- Chap. 515,** extending the Medical Malpractice Insurance Joint Underwriting Association.
- Chap. 526,** making a corrective change in the law relative to medical service corporations.
- Chap. 558,** relative to the reserve of life insurance companies, and nonforfeiture benefits for life insurance policies and individual deferred annuities.
- Chap. 611,** increasing the minimum limits of liability under motor vehicle liability bonds and motor vehicle liability policies issued under the Personal Injury Protection Insurance Law.
- Chap. 698,** providing that certain part-time employees of the Commonwealth shall be eligible for the Group Life and Health Insurance coverage applicable to persons in the service of the Commonwealth.
- Chap. 743,** providing certain medical service coverage for certain employees and their survivors.
- Chap. 776,** allowing insurers to offset unpaid premiums from amounts owed on claims.

RULES AND REGULATIONS

The Division of Insurance promulgated the following Rules and Regulations during the year.

- 211 CMR 90.00, Legal Services Plans.
- 211 CMR 42.00, Minimum Standards of Full and Fair Disclosure for the Form and Contents of Accident and Sickness Insurance Sold in the Commonwealth of Massachusetts.
- 211 CMR 47.00, Individual Accident and Sickness Insurance.
- 211 CMR 95.00, Variable Life Insurance.
- 211 CMR 79.00, Standard Merit Rating Plan (adopted as an emergency regulation).
- 211 CMR 39.00, Appraisal and Repair of Damaged Motor Vehicles.

DECISIONS

The decisions rendered by the Division in 1979 are shown below in chronological order:

- Decision and Order concerning the proposed regulation of legal services plans.
- Decision and Order concerning a proposed amendment to the amended schedule of benefits filed by Blue Shield of Massachusetts, Inc.
- Decision and Order concerning the proposed amendment to Rule 14 of the Rules of Operation of the Massachusetts Motor Vehicle Reinsurance Facility.
- Decision and Order concerning proposed Rule of Operation of the Massachusetts Motor Vehicle Reinsurance Facility.
- Findings and Conclusion on the appeal of Ann Cavanaugh from a decision of the Massachusetts Motor Vehicle Reinsurance Facility.
- Opinion, Findings and Decision on 1979-1980 Medex rates.
- Appeal Decision concerning the proposed regulation of legal services plans.
- Decision on the petition of William F. Cheverie for a review of the third-referee charges of William Restuccia.
- Dismissal of the appeal of Alexander Altschuller, M.D., Leonard N. Feingold, M.D., Clinton N. Levin, M.D., and Thomas E. Zipoli, M.D., d/b/a Hawthorne Medical Associates Inc., from a decision of Blue Shield of Massachusetts, Inc.
- Opinion, Findings and Decision on a method of reimbursing participating dentists proposed by Dental Service of Massachusetts, Inc.
- Opinion, Findings and Decision on the operation of competition among motor vehicle insurers.
- Appeal Decision on the appeal of Ann Cavanaugh from a decision of the Massachusetts Motor Vehicle Reinsurance Facility.
- Opinion, Finding and Decision concerning rules and regulations governing individual accident and sickness insurance.
- Opinion, Finding and Decision concerning rules and regulations governing variable life insurance.
- Opinion, Findings and Decision relative to a rate filing for workers' compensation insurance made by the Massachusetts Workers' Compensation Rating and Inspection Bureau.
- Decision and Order on Appeal to the Commissioner of Insurance under General Laws, chapter 26, section 7, regarding a proposed amendment to the amended schedule of benefits filed by Blue Shield of Massachusetts, Inc.
- Decision and Order concerning an application of Blue Cross of Massachusetts, Inc., and Blue Shield of Massachusetts, Inc., for approval of proposed quarterly non-group rates.
- Opinion, Findings and Decision on 1980 Automobile Insurance Rates.
- Order concerning modifications to the existing Massachusetts Automobile Insurance Statistical Plan.
- Opinion, Findings and Decision relative to a rate filing for workers' compensation insurance made by the Massachusetts Workers' Compensation Rating and Inspection Bureau.

Decisions (continued)

The Division also issued decisions or agreed to consent orders in cases involving alleged misconduct by agents, brokers, and motor vehicle damage appraisers. The cases closed out in 1979 are shown below, in chronological order.

Re: Brian Swartz, d/b/a Townline Insurance

Re: Raphael Rodrigues, d/b/a Rodrigues Insurance Agency

Re: Michael T. Keane

Re: Steere-Carlin Insurance Agency, Inc., and Russel F. Steere

Re: Barry & Aiken Insurance Agency, Inc., Paul J. Aiken, and Edmund M. Barry

Re: New England Marine and Aviation Insurance Agency, Inc., Robert A. Mitchell, Trans-Atlantic Marine Insurance Agency, Inc., and Ernest A. Enos.

Re: Ronnie Williams, d/b/a Ron Williams Insurance Agency

Re: Stanley K. Block

COMPANIES

As of December 31, 1979, there were 771 companies, licensed or approved, transacting business in Massachusetts. Also, there were 11 Health Maintenance Organizations (HMO's) licensed in the Commonwealth.

Domestic Life	17
Domestic Property & Casualty	48
Domestic Title	2
Foreign Life	268
Foreign Property & Casualty	345
Foreign Title	11
"B" Company Reinsurers	50
Surplus Lines Carriers	30

HMO's are licensed by the Division of Insurance under C 176 G.

Life Companies Admitted in 1979

Northern National Life Insurance Company Bismark, North Dakota	March 1, 1979
Guarantee Reserve Life Insurance Company Hammond, Indiana	March 1, 1979
John Hancock Variable Life Insurance Company Boston, Massachusetts	March 5, 1979
Royal Globe Life Insurance Company Hartford, Connecticut	July 1, 1979
Centurion Life Insurance Company Des Moines, Iowa	July 1, 1979
Cranford, Insurance Company Cranford, New Jersey	November 8, 1979
Evanston Insurance Company Evanston, Illinois	September 26, 1979
Great American Surplus Lines Insurance Company Cincinnati, Ohio	July 27, 1979
Great Southwest Fire Insurance Company Scotsdale, Arizona	January 2, 1979
Holland-American Insurance Company Los Angeles, California	October 15, 1979

Companies (continued)

Property and Casualty Companies Admitted in 1979

Name of Company	License Issued
J. C. Penney Casualty Company Westerville, Ohio	February 9, 1979
Home Insurance Company Indianapolis, Indiana	March 26, 1979
Allstate Indemnity Company Northfield, Illinois	March 30, 1979
Pennsylvania National Mutual Casualty Insurance Company Harrisburg, Pennsylvania	April 20, 1979
Tokio Marine & Fire Insurance Company Tokyo, Japan	May 31, 1979
Guardsman Life Insurance Company West Des Moines, Iowa	July 1, 1979
Resources Life Insurance Company Wilmington, Delaware	September 20, 1979
Government Employees Life Insurance Company Washington, D.C.	October 16, 1979
Cudis Insurance Society, Inc. Madison, Wisconsin	October 29, 1979
Reliable Life & Casualty Company Madison, Wisconsin	November 1, 1979
Safety Insurance Company Boston, Massachusetts	December 12, 1979

"B" Companies Reinsurers

Name of Company	Date Approved
Cologne Reinsurance Company of America Stamford, Connecticut	September 27, 1979
Constellation Reinsurance Company New York, New York	November 6, 1979
Federated Reinsurance Corporation New York, New York	October 9, 1979
Fremont Indemnity Company Los Angeles, California	October 12, 1979

Companies (continued)

Surplus Lines Companies

Name of Company	Date Approved
Ambassador Insurance Company New Bergen, New Jersey	January 8, 1979
Belgian General Insurance Company Brussels, Belgium	October 26, 1979
Nichido Fire & Marine Tokyo, Japan	October 26, 1979
Colonia Insurance Company Cologne, Germany	October 26, 1979
Netherlands Insurance Company Keene, New Hampshire	November 1, 1979
Fidelity & Guaranty Insurance Company West Des Moines, Iowa	November 5, 1979
Commonwealth Mortgage Assurance Company Philadelphia, Pennsylvania	November 9, 1979
Preferred Risk Mutual Insurance Company West Des Moines, Iowa	December 4, 1979
American Excess Insurance Company Wilmington, Delaware	December 19, 1979
North Star Reinsurance Corporation Wilmington, Delaware	December 31, 1979

In 1979, the following *Health Maintenance Organizations* were licensed to transact business in Massachusetts.

Name of H.M.O.	Date Licensed
Healthway Medical Plan, Inc. Brockton, Massachusetts	August 22, 1979
Capital Area Community Health Plan Latham, New York	May 10, 1979

Companies (continued)

In 1979, the following mergers were effected.

Hartford Life Insurance Company merged into Hartford Life Insurance Company of Connecticut effective January 1, 1979.

American Reinsurance Company, New York, New York, merged into American Reinsurance Company, a Delaware corporation effective January 1, 1979.

J. C. Penney Insurance Company, Buena Park, California merged into J. C. Penney Life Company, Rutland, Vermont effective January 1, 1979.

Globe Life & Accident Insurance Company, Oklahoma City, Oklahoma merged into Globe Life and Accident Insurance Company, Wilmington, Delaware effective December 31, 1979.

The following companies withdrew from Massachusetts

Michigan Millers Mutual Insurance Company, Lansing, Michigan voluntarily withdrew from Massachusetts effective September 24, 1979.

Reserve Insurance Company was declared insolvent by order of the Circuit Court of Cook County, Illinois, effective May 29, 1979.

American Reserve Insurance was declared insolvent by the Superior Court, State of Rhode Island, effective June 7, 1979.

In 1979, the following name changes took place.

The Hartford Life Insurance Company of Connecticut changed its name to Hartford Life Insurance Company effective January 1, 1979.

Stuyvesant Insurance Company changed its name to Indemnity Insurance Company of North America, effective February 1, 1979.

American Progressive Health Insurance Company of New York changed its name to American Progressive Life & Health Insurance Company of New York effective January 25, 1979.

International Life Insurance Company of Buffalo changed its name to International Life Insurance Company of New York effective May 1, 1979.

Gamble Alden Life Insurance Company changed its name to John Alden Life Insurance Company, effective March 31, 1979.

National Independence Insurance Company changed its name to Old General Insurance Company, effective May 1, 1979.

Employers Mutual Liability Insurance Company of Wisconsin changed its name to Employers Insurance of Wausau A. Mutual Company, effective September 1, 1979.

Transportation Mutual Insurance Company* converted to a stock company and changed its name to American Transportation Insurance Company, Inc.

SCHEDULE OF COMPANIES IN RECEIVERSHIP

Date of Receivership	Company	Prior Receiver	Current Receiver	Legal Counsel	Date of Accounts By Prior Receiver	Docket #
10/31/77	Empire Mutual	Keith Rodney	Michael J. Sabbagh Commissioner	David Lipton 18 Tremont St. 18th Floor (723-9800)	None Interim Account By Ernst & Ernst 11/30/77 - 4/30/79	S.J.C. Civil # 77-420
11/22/76	Century Fire & Marine	Keith Rodney	Michael J. Sabbagh Commissioner	Phillip A. Mason Sears Crescent Government Ctr. (742-7020)	None (nearly finished) Per P. Mason 2/27/80	S.J.C. Civil # 76-491
06/03/76	Puritan Marine Insurance Underwriters Corp.	Keith Rodney	Michael J. Sabbagh Commissioner	Michael S. Field 27 State St. (227-9296)	None (nearly ready)	S.J.C. Civil # 76-176
02/20/75	Summit Insurance Company of New York	Keith Rodney	Michael J. Sabbagh Commissioner	E.E. Fleming 11 Beacon St. Suite 805 (723-2010)	None Interim Account By Ernst & Ernst 11/21/75 - 4/30/79	S.J.C. Civil # 75-61
12/04/74	Associated Merchants Mutual		Deputy Commissioner Joseph F. Ciccio	None		
06/21/74	Rockland Mutual	Joan Gerrity	Michael J. Sabbagh Commissioner	Terry Dangel 3 Center Plaza (227-8200)	Allowed By S.J.C. 7/10/79	S.J.C. Civil # 74-113
12/17/64	Suffolk		Deputy Commissioner Joseph F. Ciccio	James Brown 10 Post Office Sq. (482-1390)		
09/12/79	American Reserve	None	Michael J. Sabbagh Commissioner	Thomas Finnerty Esq. 11 Beacon St. (523-3750)		S.J.C. Civil # 79-337
09/12/79	Reserve Insurance	None	Michael J. Sabbagh Commissioner			
02/26/79	Consolidated Mutual	None	Robert J. Kelly	John T. Daley Dane, Howe & Brown 73 Tremont St. Boston, MA 02108 (227-3600)		S.J.C. Civil # 79-45

LIFE INSURANCE COMPANIES EXAMINED IN 1979

Companies Examined As Of 12/31/78	Assets	Liabilities	Capital	Unassigned Surplus
Artisans Life Insurance Cooperative Society	\$13,877,839	\$12,463,020	0	\$1,414,819
Assumption Mutual Life Insurance Co.	22,479,535	21,281,194	0	0
Mass. General Life Insurance Co. (Merger of Loyal Protective)	93,420,364	75,650,095	\$4,204,222	2,757,383
Paul Revere Life Insurance Co.	690,025,344	606,858,133	9,800,000	67,153,358
Paul Revere Variable Annuity	95,401,073	91,433,052	1,000,000	(5,463,399)
State Mutual Life Assurance Co.	2,024,792,828	1,937,400,496	0	66,948,625
Total	\$2,939,996,983	\$2,745,085,990	\$15,004,222	\$132,810,786
Examination In Progress As Of Year End				
United Educators Life Insurance Co.	\$2,596,197	\$1,030,630	\$400,000	(\$604,433)

PROPERTY AND CASUALTY INSURANCE COMPANIES EXAMINED IN 1979

Companies Examined As Of 12/31/78	Assets	Liabilities	Capital	Unassigned Surplus
Worcester Mutual Insurance Co.	\$5,456,472	\$3,571,000	0	\$1,705,472
Cleveland Mutual Insurance Co.	49,078	0	0	24,078
Polyoke Mutual Insurance Co.	41,224,565	26,236,553	0	14,911,912
Mass. Casualty Insurance Co.	43,358,941	31,869,139	\$1,357,500	10,132,302
United States Mutual Liability Insurance Co.	131,633	51,261	0	80,372
Blue Cross of Massachusetts	381,252,110	293,027,505	0	26,336,122
Blue Shield of Massachusetts	157,185,009	111,636,188	0	26,740,593
Dental Service of Massachusetts	3,983,952	2,386,659	0	0*
West Newbury Mutual Fire Insurance Co.	2,037,008	1,453,167	0	383,840
Norfolk and Dedham Mutual Fire Insurance Co.	37,861,792	27,436,706	0	10,425,086
Total	\$672,540,560	\$497,668,178	\$1,357,500	\$90,739,777
Examinations In Progress				
As Of Year End				
American Employers Insurance Co.	\$308,271,233	\$27,436,706	\$2,000,000	\$33,321,015
Commercial Union Insurance Co.	1,132,846,747	912,379,673	6,000,000	124,407,317
Employers Fire Insurance Co.	124,142,488	99,422,767	2,000,000	10,142,721
Northern Assurance Co.	69,767,433	55,922,481	2,450,700	9,171,650
Arkwright-Boston Manufacturers Mutual Insurance Co.	579,618,512	343,204,074	0	233,206,075
Arkwright-Boston Insurance Co.	50,826,504	37,363,265	2,000,000	8,113,228
Electric Insurance Co.	25,598,144	14,484,487	2,500,000	2,593,237
Electric Mutual Liability Insurance Co.	190,612,371	143,216,919	0	44,485,009
Total	\$2,481,683,432	\$1,633,430,372	\$16,950,700	\$465,441,162

Total Reserve and Unassigned Funds — No Unassigned Funds Listed In A.S.

INSURANCE AGENCIES & BROKERS EXAMINED IN 1979

Steven W. Young Insurance Agency — Newton
Henry J. Leblanc Insurance Agency — Fitchburg
Marsolais Insurance Agency — Ayer
Peter T. Zaccone Insurance — Revere
John Harriott Insurance Agency — Hanson
John J. Hanan Insurance Agency — Lowell
Rachelean Insurance Agency — Worcester
Gaudette Insurance Agency — Grafton
Mystic Valley Insurance Agency — Medford
Buckley Insurance Agency — Worcester
Jette Insurance Agency — Worcester
Jos Mancuro Insurance Agency — Worcester
Green & Bates Insurance Agency — Worcester
Central Insurance Agency — Worcester
Lynnford-Shmishkiss Insurance Agency — Lynn
James H. Buckley Insurance Agency — Springfield
Del Orndof Insurance Agency — Lynn
United Financial Planners — Newton
Champa Insurance Agency — Fitchburg
Richard Bladgett Insurance Agency — Lynn
Read & Shaw Insurance Agency — Pittsfield
Chandler, Hoover and Giles Insurance Agency, Inc.
Rome Insurance Agency — Fitchburg
Walter Delany Insurance Agency — Dorchester
Ely Kaplanski Insurance Agency — Brookline
Ely Kaplanski Insurance Agency — Medford
Ely Kaplanski Insurance Agency — Watertown
Malmstead Insurance Agency — Worcester
Woodcomb Insurance Agency — Fitchburg
Baldwin Simon & Campbell Insurance Agency, Inc. — Springfield
Knight-Dick Insurance Agency, Inc. — Worcester
Calianos Insurance Agency — Roxbury

INSURANCE AGENCIES & BROKERS
EXAMINED IN 1979 (continued)

Calianos Insurance Agency — Dorchester
St. Germaine Insurance Agency — Hyde Park
Anthony Camarota D.B.A. John E. McDonald Ins.
Agency — Springfield
Alexander Pizzaconi Insurance Agency — Leominster
P&D Insurance Agency — Leominster
Reynolds, Barnes and Noble Ins. Agency, Inc. — Pittsfield
Shea & Poor Insurance Agency, Inc. — Worcester
Academy Insurance Agency, Fall River
Wornat Insurance Agency, Worcester
Purches Insurance Agency — Pittsfield
Palmer Goodell & Keeney Ins. Agency — Springfield
H. J. Boule Ins. Agency, Inc. — Marlboro
Normbro Insurance Agency — Marlboro
Alexander Woolf Insurance Agency — Worcester
Chatman, Whitman & Young Ins. Agency — Weymouth
John Rogers & Son Insurance Agency — Stoughton
Francis T. Crimmins Co. — Stoughton
Berman Insurance Agency — Braintree
Ralph Wilde Insurance Agency, Inc. — Randolph
Baker Insurance Agency — Randolph
A. E. Barnes Insurance Agency, Inc. — Weymouth
Paul D. Manning Insurance Agency, Inc. — E. Douglas
Avon Insurance Agency — Avon
Dannely & Lydon Insurance Agency, Inc. — Norwood
Paul Bissett Insurance — Stoughton
Paul Flately Insurance — Braintree
Kunevitch & Lau Insurance Agency — Brookline
Kunevitch & Lau Insurance Agency — Allston
Pembroke Insurance Agency, Inc. — Brockton
James Miles Insurance Agency — Taunton
Arthur Garry D.B.A. Financial Management Service Ins.
Agency — Beverly

FRATERNAL ORGANIZATIONS EXAMINED IN 1979

Lodges	Assets	Liabilities	Unassigned Surplus
Catholic Assoc. of Foresters	\$9,559,262	\$8,224,065	\$1,335,197
Supreme Council of the Royal Arcanum	27,825,818	19,882,834	7,942,984
Total	\$37,385,080	\$28,106,898	\$9,278,181
Societies Not On Lodge System (Section 45)	Assets		
Mutual Benefits Society of the Awakening Biscaglia Colony of Worcester, Inc.	\$76,100		
Chicopee Permanent Firefighters Benefit Assoc., Inc.	20,726		
Chicopee Police Mutual Aid Assoc.	101,467		
The Hudson Firefighters Relief Assoc.	33,846		
Independent City of Homes Assoc.	157,237		
The Knights of St. Stanislaus, Inc.	61,652		
Newton Firemens Relief Assoc.	115,285		
Newton Police Relief Assoc., Inc.	168,701		
Springfield Police Relief Assoc.	3,204		
Waltham Firefighters Welfare and Relief Assoc.	122,518		
Waltham Police Relief Assoc., Inc.	302,621		
Watertown, Firefighters Relief Assoc., Inc.	178,786		
Watertown Police Relief Assoc., Inc.	215,419		
Weston Police Relief Assoc.	83,899		
Westfield Firemens Mutual Relief Assoc.	59,671		
West Springfield Permanent Firemens Relief Assoc., Inc.	74,059		
West Springfield Police Relief Assoc.	64,739		
The Worcester Firemens Relief Assoc., Inc.	178,187		
Worcester Police Relief Assoc.	462,399		
Total	\$2,480,516		

RETIREMENT SYSTEMS EXAMINED IN 1979

Retirement Systems	Assets	Surplus
Adams	\$1,261,278	\$34,742
Andover	3,162,848	65,194
Athol	1,102,978	21,638
Attleboro	4,081,118	80,493
Belmont	5,015,706	81,282
Beverly	5,791,871	95,512
Braintree	6,232,081	150,898
Brockton	14,858,519	275,442
Chicopee	9,491,667	189,229
Clinton	1,293,301	15,610
Dedham	3,190,128	22,596
Easthampton	1,703,084	52,770
Fall River	14,914,092	285,773
Gardner	2,415,261	66,587
Gloucester	4,609,038	51,197
Holyoke	11,230,937	286,180
Lexington	4,176,792	76,629
Lynn	18,412,439	359,098
Montague	802,197	23,809
Quincy	20,701,420	431,956
Reading	3,932,895	116,047
Swampscott	2,790,428	47,204
Taunton	6,583,814	170,789
Wakefield	4,255,598	108,190
Waltham	11,193,084	261,215
Winchester	3,958,795	96,313
Winthrop	2,303,125	23,913
Woburn	4,465,668	92,586
Maynard	968,400	25,305
Danvers	5,609,129	148,378
Marlboro	3,073,388	60,003
New Bedford	16,443,572	461,322
Peabody	7,945,137	172,531
Shrewsbury	2,542,775	58,410
Springfield	25,027,881	398,353
Counties		
Franklin County	2,872,279	63,569
Bristol County	14,373,979	130,440
Hampshire County	7,506,090	155,892
Worcester County	23,716,793	557,067
Turnpike Authority	5,470,174	211,701
M.H.F. Agency	605,854	27,894
TOTAL	290,085,613	\$6,053,757

REVENUE/EXPENDITURES/EMPLOYEES

The following is a 3 year comparison of the amount of revenue collected and monies expended by the Division of Insurance. An accounting of the average number of employees for the three year period is also included.

Year	Revenue	Expenditures	Employee Count
1979	7,131,152	3,712,000	193
1978	5,852,857	3,911,477	233
1977	3,867,331	3,783,307	240

1979 — SUMMARY OF MASSACHUSETTS DIRECT PREMIUMS AND NUMBER OF POLICIES ISSUED AND IN FORCE FOR THE MAJOR LINES OF LIFE INSURANCE

	Direct Premiums	Policies Issued	Policies in Force
Ordinary	649,578	7,456,342	37,931,459
Credit Life (Gr. & Ind.)	22,155	985,816	2,941,448
Group	200,203	4,904,310	36,557,279
Industrial	4,596	10,984	475,248
Total Life Insurance Including Annuity Considerations	1,078,859	13,357,452	77,905,434

(000) omitted

1979 — SUMMARY OF MASSACHUSETTS ACCIDENT AND HEALTH INSURANCE EXPERIENCE

	Direct Premiums Written	Direct Premiums Earned	Direct Losses Paid	Direct Losses Incurred	W/P Loss Ratio	E/I Loss Ratio
Group	468,464	477,569	387,407	403,637	82.7	84.5
Credit (Gr. & Ind.)	5,928	5,085	3,050	3,352	51.5	65.9
Collectively Renewable	11,077	10,919	6,511	8,012	58.8	73.4
Non-Cancellable	31,977	30,184	14,430	20,178	45.1	66.9
Guaranteed Renewable	26,136	26,272	15,150	15,496	58.0	59.0
All Other	24,105	24,302	14,180	14,606	58.8	60.1
Total	567,687	574,331	440,728	465,280	77.6	81.0

(000) omitted

1979 — SUMMARY OF MASSACHUSETTS MAJOR PROPERTY AND CASUALTY COVERAGES

	Premiums Written	Premiums Earned	Losses Paid	Losses Incurred	W/P Loss Ratio	E/I Loss Ratio
Fire	77,834	80,023	33,066	31,359	42.5	39.2
Allied Lines	22,158	22,136	7,922	7,027	35.8	31.7
Home Owners	333,074	312,259	135,126	143,234	40.5	45.9
Commercial Multi-Peril	222,176	212,258	65,744	86,939	29.6	41.0
Inland Marine	53,935	51,085	21,159	26,083	39.2	51.1
Workers Compensation	367,392	359,187	224,888	311,198	61.2	86.6
Auto No Fault (Private Passengers)	37,984	36,042	23,627	22,482	62.2	62.4
Auto No Fault (Commercial)	3,721	3,564	1,831	1,182	49.2	33.2
Auto Liability (Private Passengers)	407,020	385,831	261,004	297,341	64.1	77.1
Auto Liability (Commercial)	105,754	103,401	60,438	76,430	57.1	73.9
Auto Physical Damage (Private Passengers)	374,402	360,323	247,406	256,871	66.1	71.3
Auto Physical Damage (Commercial)	77,382	73,830	42,620	42,886	55.1	58.1
Other Liability	190,432	189,082	54,189	101,075	28.5	53.5
(000) Omitted						